MINUTES OF THE

NATIONAL OFFSHORE SAFETY ADVISORY COMMITTEE MEETING HELD APRIL 1, 2004

A meeting of the National Offshore Safety Advisory Committee (NOSAC) was held on April 1, 2004 in Room 2415, of the Coast Headquarters Bldg., 2100 Second Street, SW, Washington, DC. The meeting began at 9:00 a.m. and ended at approximately 2:15 p.m. The meeting was videotaped for the permanent record, and was announced in the Federal Register on Friday, February 13, 2004 (FR Volume 69, Number 30, Pg. 7245).

Representing the Coast Guard (USCG) were CAPT David Scott, Executive Director of NOSAC, and Mr. James Magill, Assistant to the Executive Director.

The following Committee members were present:

Mr. Larry Rigdon
Mr. Chuck Bedell
Mr. John Ryan, III
Ms. Robin Minturn
Mr. Eugene Facey
Mr. David Geer
Mr. Doug Devoy

Mr. Paul Liberato

The following Committee members were absent:

Mr. Roland Rodney Mr. Mark Witten Mr. André Galerne Mr. Ned Stevenson

Mr. Jack Laborde

OPENING REMARKS

Chairman Ryan called the meeting to order and introduced Executive Director CAPT Scott.

CAPT Scott opened the meeting by welcoming everyone and thanking all for attending. CAPT Scott expressing the regrets of RADM Gilmour in not being able to attend the meeting. The Admiral had another commitment that he could not get out of. While he couldn't attend the meeting this time, RADM Gilmour indicated that he was looking forward to attending the fall meeting in Galveston. Capt Scott had the Committee and audience introduce themselves and asked the Assistant to the Executive Director, Mr. Jim Magill, to make announcements.

Mr. Magill made the usual routine meeting announcements, and mentioned apologies received from members who could not make the meeting.

CAPT Scott swore in new members Mr. Gene Facey and Mr. Doug Devoy, and reappointed member Mr. Ken Dawson. New member Mr. Jack Laborde and reappointed member Mr. Mark Witten will be sworn in at the next NOSAC meeting since they were not in attendance. CAPT

Scott then presented the Coast Guard Certificate of Merit award to outgoing member, Ms. Wanda Parker. Mr. Jim Magill read the citation accompanying the award. Coast guard public service awards were also prepared for outgoing members Mr. Phil Nuss and Mr. Bernie Stewart. They were not able to attend the meeting, so their awards will be sent to them later.

Chairman Ryan presented CAPT Ryan with a plaque and other memorabilia in recognition of his excellent leadership in addressing offshore industry issues, during his 6 years at the Eighth Coast Guard District, New Orleans.

CAPT Ryan thanked everyone for the kind gesture. He said he had enjoyed working with the offshore industry during his six years at Eighth District.

Chairman Ryan gave his opening remarks. He joined CAPT Scott in welcoming everyone to Washington and the spring meeting of NOSAC. He welcomed MMS representatives, past NOSAC members, and especially Ms. Julia Navarro and Mr. Steve Butler of the Occupational Safety and Health Administration. Chairman Ryan then gave a power-point presentation he had prepared for an upcoming meeting of all the Coast Guard advisory committee chairs and vice-chairs (ALLSAC). The presentation outlined the various subcommittees established during the last five years and the work performed by these NOSAC subcommittees.

Chairman Ryan reminded everyone of the recent offshore helicopter crash in the Gulf of Mexico in which several offshore workers lost their lives. At chairman Ryan's suggestion the committee and all present observed a minutes silence to show respect for those offshore workers who have lost their lives.

CAPT Scott began his opening remarks by giving a status report on the approval of the NOSAC slates. He said that the January 2003 slate had been approved, and all five positions filled: offshore drilling, offshore operations, supply vessel services, construction and offshore production. The January 2004 slate had three positions that expired in January 2004: offshore operations, pipelaying services, and diving services. CAPT Scott said that they had received a very limited pool of candidates, made selections and had forwarded the package to the Dept of Homeland Security for approval. Hopefully they will do so in time to send out the appointment letters before the next NOSAC meeting in Galveston this fall. He thanked those committee members whose terms had expired, for continuing to serve on the committee until a new slate is approved. Capt Scott said that the Coast Guard had, about a month ago, celebrated the one-year anniversary of being part of the Department of Homeland Security (DHS). Because of the growing pains in establishing a new department, the approval of advisory committee slates was taken longer than expected. Hopefully this will improve as DHS gets over its growing pains. At the request of Mr. Alan Spackman of IADC, Capt Scott gave a brief explanation of the Coast Guard's new restructuring plan to create Sector Commands. This process will begin in the summer of 2004 by creating six new Sector Commands in Boston, Puget Sound, Detroit, Honolulu, Miami, and Mobile; and the remaining ones being created over the next two years. CAPT Scott explained the definition and concept of Sector Commands and the new command process it would create. The Sector Command would combine all the Coast Guard activities and missions within a particular geographic area under one local operational Sector Commander. CAPT Scott said that, as the Coast Guard customers, the change to DHS and the Sector

Commands should be relatively transparent and the Coast Guard customers should not notice any significant change in service. The first units to transfer to Sector Commands will be sending out information on all the changes to the industry and public probably by the fall of 2004. CAPT Scott announced that a new division had been set up within the Office of Operating and Environmental Standards. This new division, the "Deepwater Ports Standards Division" (G-MSO-5), is headed up by now Mr. Mark Prescott (USCG Commander retired). Mr. Bob Corbin has transferred to this new division and a number of new job announcements have been advertised to fill positions in the new division. The new division will ultimately consist of two military positions and eight civilian positions. In the meantime, Mr. Jim Magill will be acting as Chief of the "Vessel and Facility Operating and Environmental Standards Division" (G-MSO-2) until CDR John Cushing transfers from Eighth District to fill this position in June of 2004.

SUBCOMMITTEE REPORTS

IMO/ISO/ICAO Issues Subcommittee: Mr. Spackman in his usual proficient way gave a very informative report on the matters discussed at various IMO/ISO/ICAO Committee and Subcommittee meetings that had taken place recently. He prepared a comprehensive handout (Attachment 1) that he had sent to the Committee by e-mail and made available to the public as handouts at the meeting. Mr. Spackman explained briefly and highlighted some important items in his report. Of particular interest to MODU owners is the International Civil Aviation Organization (ICAO) review and update of Annex 14 – Aerodromes, Volume II – Heliports. He commented on some future IMO developments that could affect the offshore industry and which they should be keeping a watchful eye on. Mr. Spackman concluded by briefly commented on the activities of the International Organization for Standardization (ISO) and various other private sector associations.

Mr. Magill congratulated Mr. Spackman for the outstanding IMO report he prepares for each NOSAC meeting. Mr. Magill updated a handout he prepared entitled "IMO Upcoming Meetings on Offshore Related Topics", (Attachment 2), and made it available to the committee and public. He briefly commented on the upcoming meetings giving the dates and locations of future IMO meetings. Some NOSAC members like to attend these IMO meetings, but never seem to be able to get announcements in time to attend the meetings. He also included as part of the list, the Coast Guard representatives for each particular IMO Sub-committee, and their contact information.

Report by Coast Guard on Implementation of Maritime and Offshore Security Rules:

CAPT Scott introduced LCDR Eric Walters, who reported on behalf of Coast Guard. Mark Witten, chairman of this subcommittee, has given a report from the industry perspective for the last few NOSAC meetings but unfortunately, due to a family illness, could not make the meeting and was not able to report. LCDR Walters gave a status of the leading items on the implementation of part 106, the offshore security rules. He referred to the Federal Register Notice published Thursday, February 19, 2004 (69 FR 7681) supplementing the security regulations. This notice did not change the rules in any way, just addressed the applicability; clarifying that 52 offshore facilities had to meet 33 CFR part 106 and submit security plans. He said that the review of the security plans for these facilities was ongoing and should be complete

with reply letters being sent out by the end of May 2004. This security plan review work is being performed in Coast Guard offices, Houston. Initial on-site inspection of the 52 offshore facilities will begin in July 2004, and will be conducted by Coast Guard inspectors.

OTHER BUSINESS

OMSA presentation on the development of Operations Procedures & Training for Liftboat Operators: Mr. Ken Parris of OMSA gave this presentation in the form of a power-point presentation (Attachment 3). The presentation described the history of the Coast Guard's regulations and licensing of liftboats. OMSA found that the majority of liftboat casualties and injuries were caused, not while under way, but due to industrial work while on station. This was the reason for the development by OMSA of the operations procedures and training program. One innovative item in the OMSA training program is the requirement for a mentor. Mr. Parris said that OMSA would like the Coast Guard to accept this training program.

Mr. Liberato asked how it was determined who was a qualified mentor?

Mr. Parris replied that this would be left up to the company to decide who were their best training captains.

Mr. Magill asked if the training modules were available to all in the liftboat industry?

Mr. Parris replied that it was widely distributed. The chairman of the OMSA liftboat committee has distributed it to OMSA and non-OMSA members.

Ms Parker asked how long it would take to complete the OMSA training program?

Mr. Parris replied that it would take about two years.

CAPT Scott asked what was the status of submittal of the training program to the Coast Guard?

Mr. Parris replied that it had been sent to the Marine Safety Office (MSO) in New Orleans for review/approval, and copies to Eighth District, and MSO Morgan City.

Mr. Rick Meyer of Shell asked if the NOSAC could endorse this training program and send it to RADM Gilmour to speed up the approval process?

After some discussion, it was suggested that the Liftboat Subcommittee should be reactivated to accomplish this task. One of the recommendations of the Liftboat Subcommittee was for industry to develop an operational training program. Chairman Ryan asked for a vote to reestablish the Liftboat Subcommittee with Mr. Paul Liberato reassuming the chairmanship. The vote was passed unanimously and the subcommittee tasked with submitting the OMSA Liftboat Training Program to RADM Gilmour for approval.

Mr. Magill commended OMSA for taking the initiative to develop this operations training program. He pointed out that the Coast Guard regulations were deficient on operational aspects,

especially while on site involved in jacking operations, when the majority of liftboat accidents seem to occur.

Protection of OCS attending vessel crews from exposure to H2S gas:

Background: Mr. Richard Block of Gulf Coast Mariners (GCMA) introduced this subject (GCMA Report # R-378) at the last NOSAC meeting. The subject involved concerns Mr. Block received on an incident in which a liftboat crew had not been supplied with H2S protective gear when they were working next to a fixed platform that had a sign clearly warning of the danger of hydrogen sulfide gas. MMS have regulations and enforcement responsibility for H2S operations, so Mr. Moore of MMS promised to look into the incident and report back at this NOSAC meeting.

Mr. David Moore of MMS gave the report. He began by giving a brief explanation of the H2S criteria in MMS's regulations. Mr. Moore said that MMS took violations of H2S requirements very seriously. He pointed out that it was interesting to note that a very tragic H2S incident had occurred in southwest China since the last NOSAC meeting. Two hundred and thirty four persons died and thousands were injured. Mr. Moore supplied an update to the handout given at the last NOSAC meeting, (Attachment 4) entitled "MMS – Hydrogen Sulfide Requirements for the Outer Continental Shelf". He explained the details of the handout, that included CFR reference information on where to find MMS H2S regulations and a table giving emergency contact information for reporting incidents to MMS offices. Mr. Moore said that MMS had, since the last NOSAC meeting, done some investigation of the incident Mr. Block referred to. He said that part of the problem was that the crew did not have information that would have allowed them to report to MMS. Mr. Moore said the handout, which gives MMS contact telephone numbers, should be helpful in future.

Chairman Ryan asked if the handout had been given to Mr. Block?

Mr. Moore replied that he was hoping Mr. Block would have been at the meeting, so he could give him the updated edition. However he had received the earlier edition of the handout at the last meeting. Mr. Moore said that he had also been in contact with Mr. Block since the last meeting and would be in contact with him again to give him all the information. Mr. Moore said it was important for Mr. Block to distribute the handout to his mariners.

Mr. Ryan said that, while NOSAC cannot get involved in enforcement, this was a good example of how NOSAC could be very helpful in addressing an issue. In this case the help came through having MMS as an observer on the committee. He congratulated Mr. Moore and MMS for investigating this incident.

Subchapter N Status Report: Mr. James Magill, Project Manager for this rulemaking gave this report. He said that not much work had taken place on Sub N since the last NOSAC meeting because the Coast Guard's standards development team had been working on rulemakings that had a higher priority than that of Sub N. He acknowledged that at the last NOSAC meeting, he expressed the hope that now that the security regulations were complete the team could get back to work on Sub N. Unfortunately this had just now been the case and work would begin when Sub N's turn came on the priority list.

Status reports by MMS and USCG on Inspection by MMS on behalf of USCG of OCS Fixed Facilities: Mr. David Moore reported on behalf of MMS and CAPT Ryan on behalf of the Coast Guard.

Mr. Moore updated a handout he prepared for the last NOSAC meeting (Attachment 4) entitled "Fixed Platform Self Inspection Program Biannual Status Report", that he made available as a handout again to the Committee and the public at this meeting. He briefly commented on some highlights of the report. He said that the last meeting report did not have enough information to identify trends, but this report having more than six months data could be used to do so. While the trends for most categories did not show extreme problems, there were indications that three categories needed attention. Lights, fog horns and helicopter perimeters each received more than 20 Incidents of Non Compliance (INCs), which compared to the other categories was a relatively higher number. Mr. Moore said that the MMS inspectors were investigating these categories to try and identify the problem. On a positive note there were seven categories that received no INCs out of the 2100 inspections performed by MMS inspectors. In conclusion Mr. Moore said that there were no major outstanding problems or issues and he felt the MMS inspection process was a success. He announced a new web site MMS had developed that gives information on the Fixed Platform Self-Inspection Program. The website is: www.mms.gov/selfinspections
A copy of the first page is included as Attachment (5).

CAPT Ryan said from the Coast Guard's point of view, the MMS program of fixed platform inspection was an outstanding success. He reported on a public meeting held on February 26, 2004 in the Coast Guard Eighth District offices in New Orleans. CAPT Ryan for the Coast Guard and Don Howard for MMS were the sponsors. There was an outstanding turnout of industry, Coast Guard and MMS and the meeting was very worthwhile.

Subchapter NN, Deepwater Ports Rules, and status of license submissions for LNG ports: LCDR Kevin Tone, of the newly established Deepwater Ports Division (G-MSO-5) gave this presentation in the form of a power-point presentation (Attachment 6). He gave a brief review of the background and history of the Deepwater Port s Act (DWPA) of 1974, the Deepwater Port Modernization Act of 1996 and the Maritime Transportation Security Act of 2002 that contained a rider adding natural gas to the DWPA. In March 2003 the Coast Guard transferred to the Department of Homeland security and the question of whether the Coast Guard would retain the authority for deepwater ports had to be resolved as the DWPA had the Department of Transportation as the responsible agency. This was resolved and the Coast Guard does retain the statutory authority for deepwater ports. LCDR Tone reported that Sub NN Temporary Interim Rule was published in the Federal Register on Tuesday, January 6, 1004 and to date only two comments letters had been submitted to the docket. Comments to the rulemaking must be submitted to reach the Docket Management Facility on or before July 5, 2004. LCDR Tone said that six deepwater port license applications for the construction of natural gas deepwater ports had been received by the Coast Guard to date, four in the Gulf of Mexico and two off the west coast.

Possible revision of IMO Guidelines for Design and Construction of OSVs: Mr. Paul Cojeen, Chief of the Coast Guard's Naval architecture Division (G-MSE-2) made a short presentation on this subject. He said that the IMO Subcommittee on Stability and Load Lines

and Fishing Vessel Safety (SLF) had an agenda item to revise the Guidelines for Design and Construction of Offshore Supply Vessels (OSVs). Mr. Cojeen reported on the last SLF 46 meeting held in September 2003. He said that the subcommittee had only begun and taken a brief overview of the OSV guidelines. The two most important items observed from this short review were:

- 1) The current guidelines are just a minimum set of standards, with intact and damage stability the main items addressed; and
- 2) The SLF subcommittee also has on their agenda an updating and possible mandating of certain items on the IMO Code for Intact Stability. With this being the case the present plan is to take the present intact stability out of the OSV guidelines and put it in the Code for Intact Stability.

This would leave the question of what to do with the remaining damaged stability criteria in the OSV guidelines. There has been ongoing work for the last five years in SLF concerning harmonization between cargo and passenger vessels on damage stability. It is unlikely that probabilistic damage stability would be introduced for OSVs as it is very complicated and insufficient database is available. In conclusion, Mr. Cojeen said the U.S. position was to remain fairly quiet at IMO on this subject, without submitting any papers unless requested by the industry.

Coast Guard Safety Alert on Northsafe lifeboat and Camsafe release mechanism: Mr. Sam Wehr of the Coast Guard's Lifesaving and Fire Safety Division (G-MSE-4) gave this presentation. His presentation related to a lifeboat casualty that had occurred in the harbor of Portland, Maine. The Northsafe lifeboat was part of the survival craft equipment on board the semisubmersible drilling unit "Pride Rio de Janeiro". Mr. Wehr made his presentation from two safety alerts (Attachment 7) that he supplied as a handout to the committee and the public, and some pictures he had taken during his safety investigation visit. While the Coast Guard's investigation is still ongoing, it did appear that the design of the Camsafe release hook could be a major factor in the accident. The drilling unit was not U.S. flagged and the lifeboat was not Coast Guard approved. The release hook was not Coast Guard approved or accepted, however the owner was under the mistaken impression that it was accepted under a reciprocal letter of acceptance. Mr. Wehr pointed out a human factor problem in the design. An observation window used to observe that the release hook was properly engaged was very difficult to see, as it entailed going outside the lifeboat.

Mr. Spackman said that the International Association of Drilling Contractors (IADC) had, about five years ago, asked the Coast Guard and IMO to look into the approval of lifeboat systems. He asked if this incident would help the process at IMO to move away from the individual component approval to that of a complete lifeboat system?

Mr. Wehr said that he thought it would speed up the IMO process. The IMO Design and Equipment (D & E) Subcommittee met in February/March, 2004, and there was an ongoing agenda item to look at the safety of lifeboats and their launching arrangements. Mr. Wehr said that the Coast Guard had supplied IMO with the information they had so far on this accident.

Mr. Geer asked if this accident could happen with other types of hook systems?

Mr. Wehr replied that there have been this type of accident with other type of hook systems, but he was not aware of any accidents that had occurred with Coast Guard approved hook systems.

Chairman Ryan pointed out that the training facilities for lifeboatmen did not always have the latest release gear on the training boat, so the lifeboatmen could be trained on equipment that did not match that on their company's lifeboat.

PUBLIC COMMENT

Mr. Rick Meyer: Mr. Meyer asked if the Coast Guard could comment on what was taking place with respect to the draft revision of the USCG/MMS Memorandum of Understanding (MOU)?

Captain Scott said that both MMS and the Coast Guard recognized that the current MOU was outdated and had been overcome by events. The recent development of the Maritime Transportation Security Act and the amendments to the Deepwater Ports Act to include LNG ports, being two of the main items that needed to be included in the revised MOU. The structure adopted for the new MOU will consist of a primary umbrella document and a series of technical annexes. CAPT Scott explained that the structure of the umbrella document would describe the relationship and partnership between MMS and the Coast Guard with regard to the interagency responsibilities, not in our interaction with industry. The intent is to first craft the umbrella document, and then the series of technical annexes. The technical annexes would address topics of our respective interaction with our industry customers. So the product we are now working on in the umbrella document is strictly inter agency related, and does not involve subject matter that relates to any specific industry segment. This is why, unlike the last revision of the MOU, we have not involving industry; since this work involves strictly inter agency relationships.

Mr. Meyers further asked if the previous NOSAC subcommittee that worked on the 1998 MOU, could be reformed to review the umbrella document.

CAPT Scott explained that since the umbrella document involved strictly inter agency administration topics there would be no need to have review by industry.

Mr. Moore added that RAM Gilmour and Mr. Readinger decided at the last MMS/USCG quarterly meeting that since the umbrella document is strictly inter agency related, and does not involve subject matter that relates to industry there was no need to get industry involved.

Mr. Rick Meyer: Mr. Rick Meyer referred to the Coast Guard's rulemaking on the revisions to Sub N (64 FR 68416) and MMS's rulemaking on Incident Reporting Requirements (68 FR 40585). He said that industry comments to the MMS NPRM recommended that the Coast Guard and MMS work together to produce a single coordinated incident-reporting plan. Mr. Meyer asked Mr. Magill, Sub N project manager, if he could comment on what had taken place with respect to Coast Guard and MMS working together to develop a single coordinated reporting system.

Mr. Magill replied that because of the Administrative Procedures Act neither Coast Guard nor MMS could discuss replies to comments from the NPRM rulemaking that would be in the final rules. However, he did say that MMS and Coast Guard were working together on this subject and had two or three meetings.

Mr. Steve Butler of OSHA: Chairman Ryan introduced Mr. Butler and welcomed him to his first meeting of NOSAC.

Mr. Butler said he had attended NOSAC meetings before, being in the audience as part of the public, but this was the first time he had been invited to be on the committee. He gave a history of the offshore activities work OSHA had been involved with, and the issues they had worked together with the Coast Guard and MMS. He especially mentioned the Supreme Court's decision on the Mallard Bay Company case of the drilling barge "Rig 52", Coast Guard's OPA'90 regulations and OSHA's Shipyard Tool Bag workplace safety standards.

NEXT MEETING/ADMINISTRATIVE ITEMS

Date/Location for Next Meeting: The next NOSAC meeting will be held in the Hotel Galvez, Galveston, Texas, on either 21st or 28th October 2004. Jim Magill to survey committee to find which date is most suitable.

Summary of Action Items:

<u>ITEM</u>	$\underline{\mathbf{BY}}$
1. Re-establish Liftboat Subcommittee	P. Liberato
Survey committee to decide best date of either 21 October for fall NOSAC meeting	or 28th J. Magill
David L. Scott, CAPT, USCG	Mr. John Ryan, III
Executive Director	Chairman